



1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
MCLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

DOCKET FILE COPY ORIGINAL

WC 11-111

Stamp and Return

US BANK/FCC JUN 27 2011

June 24, 2011

Colleen King
202.719.7307
cking@wileyrein.com

Federal Communications Commission
Wireline Competition Bureau Applications
P.O. Box 979091
St. Louis, MO 63197-9000

**Re: Application of Masergy Holdings, Inc. to Transfer Control of the
Domestic Section 214 Authorization of Masergy Communications, Inc.**

Dear Sir/Madam:

Enclosed please find a completed Form 159 with a credit card payment in the amount of \$1,050.00 in satisfaction of the required filing fee associated with an application to transfer the domestic Section 214 authorization of Masergy Communications, Inc. to Masergy Holdings, Inc. Pursuant to Section 63.04 of the Commission's rules, on June 24, 2011, Masergy Holdings, Inc. filed electronically a joint domestic and international Section 214 application through the International Bureau Filing System ("IBFS"). A copy of this filing is attached.

Please stamp and return the extra copy in the enclosed, self-addressed envelope. Should you have any questions concerning this filing, please contact the undersigned.

Sincerely,

Colleen King
Counsel for Masergy Holdings, Inc.

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Colleen King		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 1,050.00	
(4) STREET ADDRESS LINE NO. 1 1776 K Street, NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-719-7307		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0014925010		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Masergy Holdings, Inc.			
(14) STREET ADDRESS LINE NO. 1 c/o ABRY Partners, LLC			
(15) STREET ADDRESS LINE NO. 2 111 Huntington Avenue, 30th Floor			
(16) CITY Boston		(17) STATE MA	(18) ZIP CODE 02199
(19) DAYTIME TELEPHONE NUMBER (include area code) 617-859-2959		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0020968558		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID Domestic Section 214	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) 1,050.00	(27A) TOTAL FEE 1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Colleen King</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>Colleen King</u>		DATE <u>June 24, 2011</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <u>X</u> AMEX _____ DISCOVER _____			
ACCOUNT NUMBER <u>[REDACTED]</u>		EXPIRATION DATE <u>[REDACTED]</u>	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE <u>Colleen King</u>		DATE <u>6/24/2011</u>	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

JULY 2005

Approved by OMB
3060-0686

INTERNATIONAL SECTION 214 AUTHORIZATIONS FOR ASSIGNMENT OR TRANSFER OF CONTROL FCC FORM 214TC FOR OFFICIAL USE ONLY	
---	--

APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:

Application to Transfer Control of Masergy Communications, Inc.'s Section 214 Authority

1. Legal Name of Applicant

Name:	Masergy Holdings, Inc.	Phone Number:	617-859-2959
DBA Name:		Fax Number:	617-859-8797
Street:	c/o ABRY Partners, LLC 111 Huntington Avenue, 30th Floor	E-Mail:	bbattaglia@abry.com
City:	Boston	State:	MA
Country:	USA	Zipcode:	02199 -
Attention:	Blake Battaglia		

2. Name of Contact Representative

Name:	Bennett Ross	Phone Number:	202-719-7524
Company:	Wiley Rein LLP	Fax Number:	202-719-9411
Street:	1776 K Street, NW	E-Mail:	bross@wileyrein.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20006-
Attention:		Relationship:	Legal Counsel

CLASSIFICATION OF FILING

3. Choose the button next to the classification that best describes this filing. Choose only one.

☐ a. Assignment of Section 214 Authority

An Assignment of an authorization is a transaction in which the authorization, or a portion of it, is assigned from one entity to another. Following an assignment, the authorization will usually be held by an entity other than the one to which it was originally granted. (See Section 63.24(b).)

☒ b. Transfer of Control of Section 214 Authority

A Transfer of Control is a transaction in which the authorization remains held by the same entity, but there is a change in the entity or entities that control the authorization holder. (See Section 63.24(c).)

☐ c. Notification of Pro Forma Assignment of Section 214 Authority (No fee required)

☐ d. Notification of Pro Forma Transfer of Control of Section 214 Authority (No fee required)

Date of Consummation: Must be completed if you select c or d.

4. File Number(s) of Section 214 Authority(ies) for Which You Seek Consent to Assign or Transfer Control.
 Note: If the Section 214 Authorization Holder whose authority is being assigned or transferred does not have an "ITC" File No. under which it is operating, contact the Help Desk for assistance before proceeding further with this application. You cannot enter an "ITC-ASG" or "ITC-T/C" File No. in response to this question. Your response must specify one or more "ITC" File Nos. Relevant "ITC-ASG" or "ITC-T/C" File Nos. should be listed only in Attachment 1 in response to Question 10.

File Number: IT C214200108200 0432	File Number:	File Number:	File Number:	File Number:	File Number:	File Number:	File Number:
---	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

5. Name of Section 214 Authorization Holder

Name:	Masergy Communications, Inc.	Phone Number:	214-442-8839
DBA Name:		Fax Number:	214-442-5756
Street:	2740 North Dallas Parkway	E-Mail:	irene.peterson@masergy.com
	Suite 260		
City:	Plano	State:	TX
Country:	USA	Zipcode:	75093
			-
Attention:	Irene Peterson		

6. Name of Assignor / Transferor

Name:	Masergy Communications, Inc.	Phone Number:	214-442-8839
DBA Name:		Fax Number:	214-442-5756
Street:	2740 North Dallas Parkway	E-Mail:	irene.peterson@masergy.com
	Suite 260		
City:	Plano	State:	TX
Country:	USA	Zipcode:	75093
Attention:	Irene Peterson		

7. Name of Assignee / Transferee

Name:	Masergy Holdings, Inc.	Phone Number:	617-859-2959
DBA Name:		Fax Number:	617-859-8797
Street:	c/o ABRY Partners, LLC	E-Mail:	bbattaglia@abry.com
	111 Huntington Avenue, 30th Floor		
City:	Boston	State:	MA
Country:	USA	Zipcode:	02199
			-
Attention:	Blake Battaglia		

8a. Is a fee submitted with this application?

- ☒ If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).
- ☐ Governmental Entity ☐ Noncommercial educational licensee ☐ Notification of Pro Forma (No fee required.)
- ☐ Other (please explain):

8b. You must file a separate application for each legal entity that holds one or more Section 214 authorizations to be assigned or transferred.

Fee Classification CUT – Section 214 Authority

9. Description (Summarize the nature of the application.)

(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Application for Commission consent to transfer control of Section 214 authority held by Masergy Communications, Inc. to Masergy Holdings, Inc.

10. In Attachment 1, please respond to paragraphs (c) and (d) of Section 63.18 with respect to the assignor/transferor and the assignee/transferee. Label your response "Answer to Question 10".

11. Does any entity, directly or indirectly, own at least ten (10) percent of the equity of the assignee/transferee as determined by successive multiplication in the manner specified in the note to Section 63.18(h) of the rules?

☒ Yes ☐ No

If you answered "Yes" to this question, provide in Attachment 1, the name, address, citizenship, and principal businesses of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the assignee/transferee, and the percentage of equity owned by each of those persons or entities (to the nearest one percent). Label your response "Answer to Question 11."

12. Does the assignee/transferee have any interlocking directorates with a foreign carrier?

☒ Yes ☐ No

If you answered "Yes" to this question, identify each interlocking officer/director in Attachment 1. (See Section 63.09(g).) Provide the name and position/title of the individual or entity, the name of the foreign carrier, and the country in which the foreign carrier is authorized to operate. Label your response: "Answer to Question 12."

13. Provide in Attachment 1 a narrative of the means by which the proposed assignment or transfer of control will take place. In circumstances of a substantial assignment or transfer of control pursuant to Section 63.24(e), where the assignor seeks authority to assign only a portion of its U.S. international assets and/or customer base, please specify whether the assignor requests authority to continue to operate under any or all of its international Section 214 File Nos. after consummation; and, if so, please specify in Attachment 1 each File No. it seeks to retain in its own name. Label your response "Answer to Question 13."

Note: The assignor may retain any or all of its international Section 214 File Nos. In that case, the assignor will continue to hold the international section 214 authorizations that it specifies in response to this question. The ITC-ASG File No. that the Commission assigns to this application will, when granted, constitute Commission authorization of the proposed assignment of assets and /or customers from the assignor to the assignee. Unless Commission grant of the assignment application specifies otherwise, the assignee may provide the same services on the same routes as permitted under the assignor's Section 214 authorization(s), and the assignee may provide such service to any customers it may obtain in the ordinary course of business.

If this filing is not a notification of a pro forma assignment or pro forma transfer of control, please respond to Questions 14-20 below. (See Section 63.24(d).) Otherwise, you may proceed to Question 21 below.

14. Check "Yes" below if the assignee is a foreign carrier or if, upon consummation of the proposed assignment or transfer of control, the Section 214 holder would be affiliated with a foreign carrier. (See Section 63.18 (i).) The terms "foreign carrier" and "affiliated" are defined in Section 63.09 (d) & (e) of the rules respectively. ☒ Yes ☐ No

If you answered "Yes" to this question, please specify in Attachment 1 each foreign country in which the assignee is a foreign carrier or in which the Section 214 holder, upon consummation, would be affiliated with a foreign carrier. Label your response, "Answer to Question 14."

15. If this application is granted and the proposed assignment or transfer is consummated, would the Section 214 holder be authorized to provide service to any destination country for which any of the following statements is true?

☒ Yes ☐ No

- (1) The Section 214 holder is a foreign carrier in that country; or
- (2) The Section 214 holder controls a foreign carrier in that country; or
- (3) Any entity that owns more than 25 percent of the Section 214 holder, or that controls the Section 214 holder, controls a foreign carrier in that country.
- (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the Section 214 holder and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.

If you answered "Yes" to this question, please specify in Attachment 1 each foreign carrier and country for which any of the above statements would be true. Label your response, "Answer to Question 15."

16. If you answered "Yes" to question 14, do you request classification of the Section 214 holder as a "non-dominant" carrier, upon consummation of the proposed transaction, between the United States and any or all countries listed in response to Question 14? See Section 63.10 of the rules.

☒ Yes ☐ No

If you answered "Yes" to this question, you must provide information in Attachment 1 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination country route where it would be a foreign carrier, or would be affiliated with a foreign carrier and for which you request non-dominant classification. Label your response, "Answer to Question 16."

17. If you answered "Yes" to question 14 and you have not provided information in response to Question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination route where it would be a foreign carrier, or be affiliated with a foreign carrier, check "Yes" below to certify that the assignee/transferee agrees to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in the provision of international service between the United States and any foreign country(ies) for which you have not provided the required information.

☐ Yes, I certify that I agree to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in my provision of international service between the United States and the following foreign country(ies):

☐ No, Does not apply.

18. If you answered "Yes" to question 15, and if you have not provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules in its provision of service to each of the countries identified in response to question 15, the Section 214 holder may not be eligible to provide international telecommunications service between the U.S. and each such country following consummation of the assignment or transfer. In order to determine whether the public interest would be served by authorizing service on these U.S.-destination country routes, the assignee/transferee must provide information, in Attachment 1, to satisfy one of the showings specified in Section 63.18(k) of the rules. Label your response, "Answer to Question 18."

19. If the assignee, or the Section 214 holder that is the subject of this transfer of control application, is a provider of Commercial Mobile Radio Services, you need not answer this question.

If any of the Section 214 authorization(s) that would be assigned or transferred, authorize the Section 214 holder to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country listed in response to question 14, and unless you have provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10(a)(3) of the rules for each country, check "Yes" below to certify that the assignee/transferee will file the quarterly traffic reports required by Section 43.61(c) of the rules; and/or state in Attachment 1 that the foreign carrier(s) for which the applicant has not made a showing under Section 63.10(c)(3) do(es) not collect settlement payments from U.S. international carriers. (See Section 63.18(l).)

☐ Yes, I certify that I agree to comply with the quarterly traffic reporting requirements set forth in section 43.61(c) of the rules.

20. If the applicant desires streamlined processing pursuant to Section 63.12 of the rules, provide in Attachment 1 a statement of how the application qualifies for streamlined processing. (See Section 63.18(p).) Note that, if the application is being filed in connection with a sale of assets or reorganization of a carrier or its parent pursuant to the U.S. bankruptcy laws, the application may not be eligible for streamlined processing until final bankruptcy court approval of the proposed sale or reorganization.

Applicant certifies that its responses to questions 21 through 25 are true:

21. The assignee/transferee certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future. ☒ Yes ☐ No

22. By signing this application, the undersigned certify either (1) that the authorization(s) will not be assigned or that control of the authorization(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to the notification procedures for pro forma transactions under Section 63.24 of the rules. The assignee/transferee also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate. (See Section 63.24(e)(4).) ☒ Yes ☐ No

23. If this filing is a notification of a pro forma assignment or transfer of control, the undersigned certify that the assignment or transfer of control was pro forma and that, together with all previous pro forma transactions, does not result in a change in the actual controlling party. ☐ Yes ☐ No
☒ Not a Pro Forma

24. The undersigned certify that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.	<input checked="" type="radio"/> Yes <input type="radio"/> No
25. The assignee/transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.	<input checked="" type="radio"/> Yes <input type="radio"/> No

CERTIFICATION

26. Printed Name of Assignor / Transferor Masergy Communications, Inc.	29. Printed Name of Assignee / Transferee Masergy Holdings, Inc.
27. Title (Office Held by Person Signing) Tax Director	30. Title (Office Held by Person Signing) President
28. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Irene Peterson	31. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Blake Battaglia
<p>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).</p>	

FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

The public reporting for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Project (3060-0686), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to PRA@fcc.gov. PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0686.

THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

ANSWER TO QUESTION 10

63.18(c) and (d) Information for Masergy Communications, Inc. – Transferor

- Contact Information for Masergy Communications, Inc.

Company Contact:

Irene Peterson
Masergy Communications, Inc.
2740 North Dallas Parkway, Suite 260
Plano, TX 75093
Telephone: (214) 442-8839
irene.peterson@masergy.com

Legal Counsel

Douglas D. Orvis II
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806
Telephone: (202) 373-6041
Fax: (202) 373-6001
douglas.orvis@bingham.com

- Masergy Communications, Inc. is a U.S. corporation organized under the laws of the State of Delaware.
- Masergy Communications, Inc. holds the section 214 authority to provide international and domestic telecommunications services that is the subject of this transaction. *See* File No. ITC-214-20010820-00432 and 47 C.F.R. § 63.01.

63.18(c) and (d) Information for Masergy Holdings, Inc. – Transferee

- Contact Information for Masergy Holdings, Inc.

Company Contact

Blake Battaglia
President
Masergy Holdings, Inc.
c/o ABRY Partners, LLC
111 Huntington Avenue, 30th Floor
Boston, MA 02199
Telephone: (617) 859-2959
Facsimile: (617) 859-8797
bbattaglia@abry.com

Legal Counsel
Bennett Ross
Wiley Rein LLP
1776 K Street NW
Washington, DC 20006
Telephone: (202) 719-7524
Facsimile: (202) 719-9411
Email: bross@wileyrein.com

- Masergy Holdings, Inc. is a U.S. corporation organized under the laws of the State of Delaware.
- Masergy Holdings, Inc. has not previously received Section 214 authority.

ANSWER TO QUESTION 11

The following entities will have a ten (10) percent or greater direct or indirect ownership interest in Masergy Holdings, Inc. at the time the proposed transaction is consummated:

Masergy Investment Holdings, LLC will hold a direct 100 percent interest in the Transferee, Masergy Holdings, Inc. Masergy Investment Holdings, LLC, a Delaware holding company, is located at 111 Huntington Avenue, 30th Floor, Boston, MA 02199.

ABRY Senior Equity III, L.P., a Delaware investment company, will hold an indirect 20.1% equity interest in Masergy Holdings, Inc. ABRY Senior Equity Investors III, L.P., a Delaware investment company, is the sole general partner of ABRY Senior Equity III, L.P. The sole general partner of ABRY Senior Equity Investors III, L.P. is ABRY Senior Equity Holdings III, LLC, a Delaware limited liability company. All of the voting securities of ABRY Senior Equity Holdings III, LLC are held by Royce Yudkoff, a citizen of the United States.

ABRY Partners VI, L.P., a Delaware investment company, will hold an indirect 34.2% equity interest in Masergy Holdings, Inc. ABRY VI Capital Partners, L.P., a Delaware investment company, is the sole general partner of ABRY Partners VI, L.P. The sole general partner of ABRY VI Capital Partners, L.P. is ABRY VI Capital Investors, LLC, a Delaware limited liability company. All of the voting securities of ABRY VI Capital Investors, LLC are held by Royce Yudkoff, a citizen of the United States.

ABRY Partners VII, L.P., a Delaware investment company, will hold an indirect 40.3% equity interest in Masergy Holdings, Inc. ABRY VII Capital Partners, L.P., a Delaware investment company, is the sole general partner of ABRY Partners VII, L.P. The sole general partner of ABRY VII Capital Partners, L.P. is ABRY VII Capital Investors, LLC, a Delaware limited

liability company. All of the voting securities of ABRY VII Capital Investors, LLC are held by Royce Yudkoff, a citizen of the United States.

The address for Mr. Yudkoff and all entities is 111 Huntington Avenue, 30th Floor, Boston, MA 02199.¹

No other person or entity will have a ten percent or greater ownership interest in Masergy Holdings, Inc. at the time the proposed transaction is consummated.

ANSWER TO QUESTION 12

Rob E. Bodnar is the Executive Vice President, Chief Financial Officer, Secretary, and member of the Board of Directors of Masergy Communications, Inc. and the Executive Vice President, Chief Financial Officer and Director to the Board of Masergy Communications UK Limited, a United Kingdom entity. Jack Tankersly is a member of the Board of Directors of Masergy Communications, Inc. and Masergy Communications UK Limited, a United Kingdom entity. Charlsa Hamner is the Controller and Treasurer of Masergy Communications, Inc. and the Controller and Secretary for Masergy Communications UK Limited, a United Kingdom entity. Irene Peterson is the Tax Director and Assistant Treasurer for Masergy Communications, Inc. and the Tax Director for Masergy Communications UK Limited, a United Kingdom entity.

ANSWER TO QUESTION 13

Description Of The Proposed Transaction

Through this Transfer of Control Application, Masergy Holdings, Inc. seeks Federal Communications Commission ("FCC" or the "Commission") consent to the transfer of control of the international and domestic Section 214 authorizations held by Masergy Communications, Inc. to Masergy Holdings, Inc. As described below, the transaction will be in the public interest, as it will enhance Masergy Communication, Inc.'s competitiveness within its industry.

Description of the Parties

Masergy Communications, Inc. provides managed, secure virtualized network services to enterprises that have complex needs across multiple locations. Masergy Communications, Inc.'s network and software solutions enable customers to seamlessly deploy and manage IT applications such as video, voice and data, on a global basis. To provide these services, Masergy Communications, Inc. also resells long distance interstate private line services in every state. Masergy Communications, Inc. is a Delaware corporation headquartered in Plano, Texas.

¹ Two other ABRY Partners funds, ABRY Partners VII Co-Investment Fund, L.P. and ABRY Senior Equity III Co-Investment Fund, L.P., will acquire a less than ten percent indirect equity interest in Masergy Holdings, Inc. Both of these funds are also ultimately controlled by Royce Yudkoff.

Masergy Communications, Inc. holds section 214 authority to provide international and domestic telecommunications services.

Masergy Communications, Inc. is currently owned by several venture capital firms, including Meritage Private Equity Funds, Lightspeed Venture Partners, Centennial Ventures, West LB Mellon Asset Management, and Kleiner Perkins Caufield & Byers. None of these firms individually holds a fifty (50) percent or greater interest in Masergy Communications, Inc.

The transferee, Masergy Holdings, Inc., is a Delaware corporation that is wholly owned by Masergy Investment Holdings, LLC, a Delaware limited liability company. The post-consummation ownership structure of Masergy Holdings, Inc. is set forth in Exhibit A. Masergy Investment Holdings, LLC is primarily owned by several private equity funds, including those listed above in response to Question 11, affiliated with ABRY Partners.² ABRY Partners is a private equity investment firm focused solely on media, communications, business and information services investments. Masergy Investment Holdings, LLC will be controlled by a seven member board of managers, four of whom will be affiliated with the ABRY Partners funds. These four managers will initially be Peggy Koenig, Blake Battaglia, Azra Kanji and Rob Nicewicz. The remaining three managers will be Royce Holland, Chris MacFarland and Rob Bodnar, all of whom are currently members of management of Masergy Communications, Inc. All of these individuals are U.S. citizens.

Description of the Agreement

On June 21, 2011, an Agreement and Plan of Merger (the "Merger Agreement") was executed by Masergy Holdings, Inc., Masergy Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of Masergy Holdings, Inc., Masergy Communications, Inc., and Meritage Investment Partners II, LLC, solely in its capacity as representative of various sellers. Pursuant to the Merger Agreement, Masergy Acquisition, Inc. will be merged into Masergy Communications, Inc., with Masergy Communications, Inc. remaining in existence as the surviving corporation. As a result of the merger, the current holders of equity interests in Masergy Communications, Inc. will receive cash compensation in exchange for such interests, and Masergy Communications, Inc. will become a wholly owned subsidiary of Masergy Holdings, Inc. The transaction thus will result in a change of control of all of the section 214 authority granted by the FCC to Masergy Communications, Inc. Control of such authorizations will be held effectively by Masergy Holdings, Inc. after closing of the transaction.

Because the proposed transfer of control will be completed at the holding company level, the Applicants expect that the transaction will be entirely transparent to Masergy Communications, Inc.'s customers and will have no effect on the services those customers currently receive. As a transaction affecting only the ownership of Masergy Communications, Inc., the proposed transaction will not result in any adverse change in the assets Masergy

² As part of the transaction, members of management will acquire a 2.3% equity interest in Masergy Investment Holdings, LLC.

Communications, Inc. uses to provide service or Masergy Communications, Inc.'s day-to-day operations, nor will the transaction itself have any effect on Masergy Communications, Inc.'s rates, terms or conditions of service.

Public Interest Statement

The proposed transfer of control of Masergy Communications, Inc. to Masergy Holdings, Inc. serves the public interest and will cause no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed transfer of control.

The proposed transfer of control will promote competition by strengthening Masergy Communications, Inc. and increasing its ability to compete effectively in the market for global network solutions. The proposed transaction will provide Masergy Communications, Inc. access to financial resources necessary to expand its customer base and develop new products and services to meet the evolving needs of enterprise customers.

At the same time, the proposed transfer of control does not raise any competitive concerns. The only impact of the proposed transaction is that Masergy Communications, Inc. will obtain access to increased resources necessary to become an even more effective competitor.

For the reasons stated above, the transfer of control of Masergy Communications, Inc. to Masergy Holdings, Inc. will benefit the public interest. Thus, the parties to this application respectfully request the Commission to approve the transfer of control as expeditiously as possible.

ANSWER TO QUESTION 14

Neither Masergy Communications, Inc. nor Masergy Holdings, Inc. is a foreign carrier. Upon consummation of this transaction, Masergy Holdings, Inc. will be affiliated with the foreign carriers listed below, which are subsidiaries of Masergy Communications, Inc.:

Name of the affiliated foreign carrier:	Countries in which company is authorized telecommunications services to the public:
Masergy Communications UK Limited (a United Kingdom entity)	United Kingdom, Canada, France, Hong Kong, Japan, Singapore
Masergy Comunicaciones S. De R.L. de C.V. (a Mexican limited liability company)	Mexico

Masergy Holdings, Inc. has no other foreign carrier affiliations.

ANSWER TO QUESTION 15

Pursuant to Section 63.18(j) of the Commission's rules, 47 C.F.R. § 63.18(j), Masergy Holdings, Inc. certifies that it is not a foreign carrier but that it holds controlling interests in certain foreign carriers in destination countries where its subsidiaries provide international service. These carriers and the countries where they provide service are described above in the answer to Question 14.

ANSWER TO QUESTION 16

Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, Masergy Holdings, Inc. qualifies for non-dominant classification on the routes between the United States and all the above-listed countries because the affiliated entities in these countries have no market power on the foreign end of any of these routes. *See id.* § 63.10(a)(3). All of the above-listed affiliates lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none is listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets. As such, Masergy Holdings, Inc. is presumptively classified as non-dominant on these routes.

ANSWER TO QUESTION 20

This application for transfer of control of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c). 47 C.F.R. § 63.12. While the Transferee will be affiliated with two foreign carriers in destination markets, the Transferee qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules as set forth in the Answer to Question 16. The parties will not consummate the proposed transaction until after all necessary Commission approvals are obtained.

**INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN
RELATION TO MASERGY COMMUNICATION, INC.'S DOMESTIC 214
AUTHORIZATION**

In support of the Applicants' request for consent to transfer control of Masergy Communication, Inc.'s domestic blanket Section 214 authority to Masergy Holdings, Inc., the following information is submitted pursuant to Section 63.04 of the Commission's rules. 47 C.F.R. § 63.04. Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 transfer of control application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

RESPONSES TO SECTION 63.04(a)(6)-(12)

(a)(6): See Answer to Question 13.

(a)(7): Masergy Communications, Inc. resells long distance interstate private line services in every state.

Masergy Holdings, Inc. is affiliated with domestic telecommunications providers through its ownership by ABRV Partners.

- ABRV's affiliate, RCN Corporation, through its operating subsidiaries, is authorized to provide local, long distance, and/or competitive access provider services in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia. All of the services provided by RCN Corporation's subsidiaries are competitive in nature and neither RCN Corporation nor any subsidiary company holds a dominant position in any market.

Specifically, RCN Telecom Services, Inc. provides competitive intrastate telecommunications services in Delaware, New Jersey, New York, and Pennsylvania. RCN Telecom Services of Illinois, LLC provides competitive intrastate telecommunications services in Illinois. RCN BecoCom, Inc. provides competitive intrastate telecommunications services in Massachusetts. RCN Telecom Services of Philadelphia, Inc. provides competitive intrastate telecommunications services in Pennsylvania. Starpower Communications, LLC provides competitive intrastate telecommunications services in the District of Columbia, Maryland, and Virginia. RCN New York Communications, LLC provides competitive intrastate telecommunications services in Connecticut, Delaware, the District of Columbia, Illinois, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia. NEON Optica, Inc.'s affiliates are authorized to provide intrastate services in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.

- ABRY Partners also controls Grande Communications Networks, Inc., which provides telecommunications services in Arkansas, Oklahoma, and Texas.

In addition, ABRY Partners is in the process of confirming whether the following affiliated companies provide domestic telecommunications services, but is disclosing its ownership interest in these entities out of an abundance of caution.

- Atlantic Broadband is a cable television operator providing video, internet and telephone services to customers in Florida, Maryland/Delaware, South Carolina and Central Pennsylvania.
- Home Town Cable is a local service provider of bundled cable TV, high-speed internet, security-alarm monitoring and telephone services in Florida.
- Hometown Broadband provides wireless high-speed internet and VOIP telephone services to underserved rural and ex-urban markets throughout Maryland and Arizona.
- JAB Broadband is one of the nation's largest fixed wireless broadband service providers. Through its subsidiaries, JAB provides wireless broadband Internet and digital voice telephone service to residential and business customers in Colorado, Wyoming, Utah, Idaho, and Texas.

No other affiliates of Masergy Holdings, Inc. provide domestic telecommunications services.

(a)(8): This application for transfer of control of domestic Section 214 authorization presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(1)(ii) because Masergy Holdings, Inc., the transferee, is not a telecommunications provider. 47 C.F.R. §63.03(b)(1)(ii). This application also qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) Applicants and their affiliates (as defined in 47 U.S.C. § 153(1) – “Affiliates”) combined will hold less than a ten (10) percent share of the interstate, interexchange market; (2) to the extent that Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic service. 47 C.F.R. §63.03(b)(2)(i).

(a)(9): See Answer to Question 13.

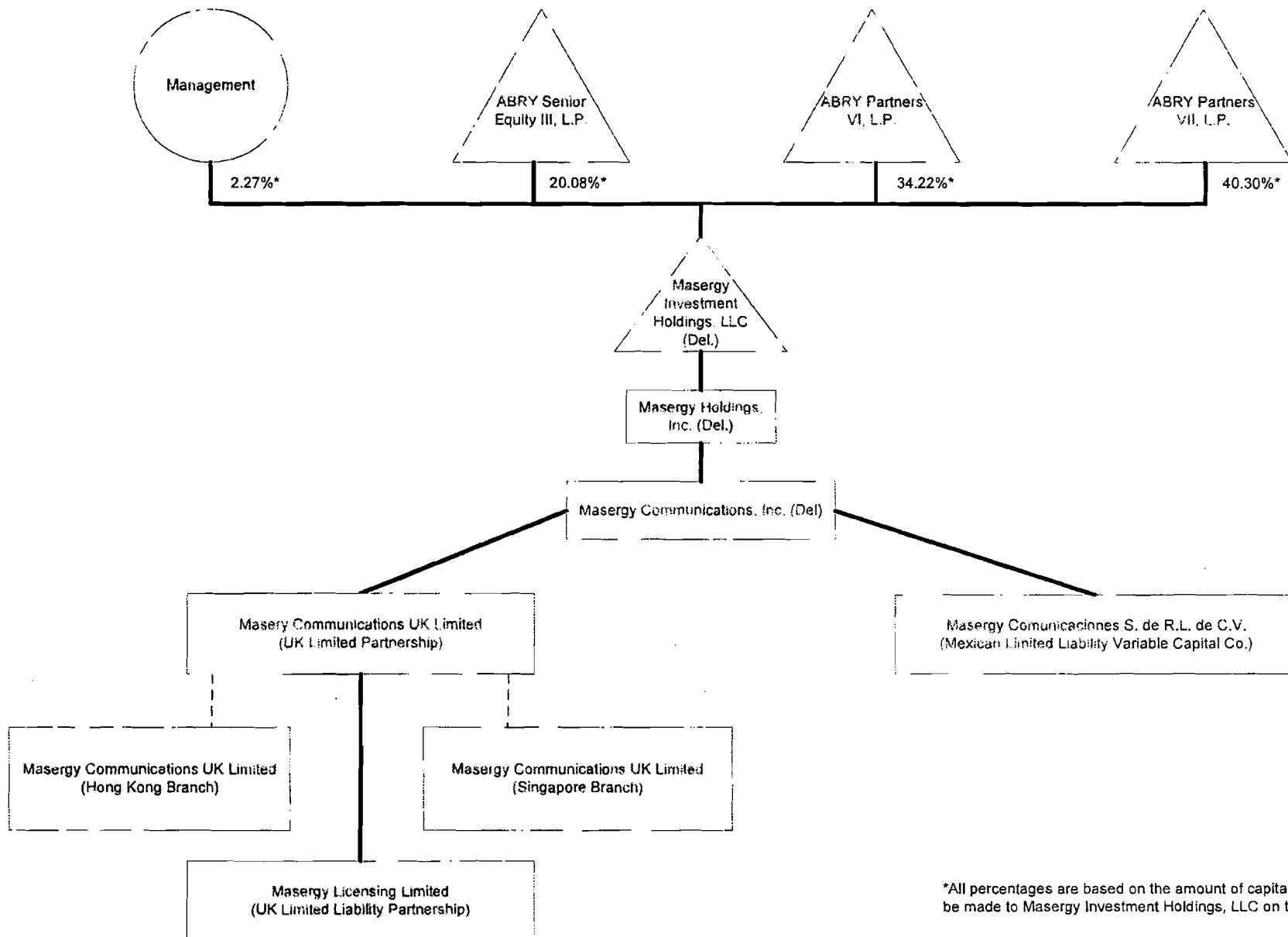
(a)(10): The Applicants are not requesting special consideration because neither party to the transaction is facing imminent business failure.

(a)(11): The Applicants are not separately filing any waiver requests in conjunction with the transaction.

(a)(12): See Answer to Question 13.

EXHIBIT A

Post-Closing Organizational Chart: Masergy Communications, Inc.



*All percentages are based on the amount of capital contributions to be made to Masergy Investment Holdings, LLC on the closing date.